

The New Zimbabwe

Zimbabwe's March Toward Reforms

Since his election in 2018, Zimbabwean President Emmerson Mnangagwa and his administration have been working diligently to achieve progress on a number of political, land, economic, and human rights reforms. While the pace and scope of reforms has been criticized by the U.S. officials and other international stakeholders, the positive steps the Mnangagwa administration have taken should not be overlooked. **Thus far, the Zimbabwean government has signed into law:**

- The **Land Commission Act** to reform property ownership practices and dispense compensation to white farmers whose land was appropriated by the Mugabe regime at the turn of the 21st century
- The **Maintenance of Peace and Order Act (MOPA)** to replace the Mugabe era Public Order and Security Act (POSA)
- The Gender Commission Act to **promote gender equality**
- The International Treaties Bill to expedite Zimbabwe's **compliance with international law**
- The National Peace and Reconciliation Act to **address previous human rights abuses**
- The Zimbabwe Human Rights Commission, created to be an independent human rights institution devoted to upholding the enforcement of human rights
- Approximately 20 new bills that align Zimbabwe's laws to the constitution

Legislation to address other key changes suggested in ZDERA has also been proposed and is currently passing through the parliamentary system.

Zimbabwe Anti-Corruption Commission (ZACC)

President Mnangagwa has appointed an independent Head Commissioner to lead the revived and empowered Zimbabwe Anti-Corruption Commission (ZACC). He not only appointed a team with a history of fighting corruption, but also **gave ZACC broad and deep investigative and arrest authority**. The commissioners that were appointed by the President to ZACC represent a broad spectrum of political parties, NGOs, and private experts. Anti-corruption courts have been set up in 7 of the 10 provinces with the last three to be set up by April 2020. Magistrates for all ten courts have been appointed.

ZACC Head Commissioner Justice Loice Matanda-Moyo oversees a team of over 60 investigators is currently **managing more than 200 investigations** into corruption. The commission's independence has been demonstrated by the following arrests:

- Zimbabwean Minister of Tourism Prisca Mupfumira – a close ally of President Mnangagwa – after a thorough investigation into potential corruption.
- Munesu Munodawafa, permanent secretary in the environment ministry.
- Douglas Tapfuma, former director of state residences, after allegations of corruption.

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- ZANU-PF member and government Minister Joram Gumbo for criminal abuse of office. Gumbo was the first ZANU-PF party Minister to be arrested and was also considered an ally of President Mnangagwa.

The commission's actions drew praise from U.S. Ambassador to Zimbabwe Brian Nichols, who has applauded its independence. The Zimbabwean government is also creating new legislation to protect whistleblowers in corruption cases.

There are so many cases moving to trials that there are not enough prosecutors. Justice Moyo is working to increase the number of attorneys in the Commission to proceed to trials. **ZACC is also seeking prosecutorial authority from the Government in order to expedite the legal process.**

Land Reform

Land reform was probably the single biggest driver of the original sanctions back in the early 2000s. It is little known that **the government is currently negotiating with the farmers and that the first tranche of payments has already been made to them.** Additionally, while some government officials have attempted to seize farms over the past year, President Mnangagwa has continued to demand that rule of law must be followed and has enforced High Court rulings to restore land to the proper tenants.

Evicted farmers continue to negotiate with the government for the next round of payments. In March 2020, the Mnangagwa administration **gazetted new legislation under which former landowners can select to either repossess or receive monetary compensation for their old land.** In announcing the legislation, Lands Minister Perrance Shiri stated, **"the object of these regulations is to provide for the disposal of land to persons entitled to compensation for acquisition of previously compulsorily acquired agricultural land."**

Civil Liberties and Freedom

A critical component for Zimbabwe is the implementation of new laws to enhance civil liberties and freedoms. To this end, the Mnangagwa government replaced the Mugabe-era Public Order and Security Act (POSA) with the Maintenance of Peace and Order Bill (MOPA). MOPA was gazette on November 15, 2019.

While there have been concerns the bill is not as strong as it could be, it rid the country of POSA and is a step towards legalizing the right to demonstrate. It also should be noted that while there was a tragic and deadly demonstration in January 2019, unlike many other countries in Africa, **there has not been a single death during demonstrations since then, and indeed a marked decrease in any violence during opposition demonstrations.**

In September 2019, the UN Special Rapporteur on Rights to Freedom of Peaceful Assembly and Association, Clement Nyaletsossi Voule, released an *End of Mission Statement* after visiting Zimbabwe. **While pushing for more reforms, he noted several significant improvements in the MOPA Bill from Mugabe-era legislation.** Voule supported the deletion of a provision related to the temporary prohibition of holding public demonstrations within specific police districts, as well as the addition of a provision giving the President – rather than the Minister of Defense – authority to deploy military forces to support the police. **He also praised the Mnangagwa government for compensating victims impacted by a police**

crackdown following the August 2018 national elections and for creating an Inter-Ministerial Taskforce to lead political, electoral, and legislative reforms.

Additionally, another major reform bill, the Freedom of Information Bill, has been drafted to replace the Mugabe-era Access to Information and Protection of Privacy Act (AIPPA). Principles for the Freedom of Information Bill were approved in February 2019, the bill was gazetted in June 2019, and it is currently tabled before Parliament awaiting a vote once the Parliament is able to reconvene following an unscheduled recess caused by COVID-19. Once signed into law, the Bill will set new procedures for Zimbabweans to access government-held public information. **In July 2019, UN officials praised the Zimbabwean government for introducing such legislation to replace AIPPA.**

While Voule noted that additional reforms are still necessary, he stressed the 2013 Constitution provides a “sound and robust basis for the protection of human rights” and that international economic assistance is essential for Zimbabwe to continue making progress. To buttress these reforms, **the Mnangagwa government has implemented approximately 20 new bills that align Zimbabwe’s laws to the constitution and made progress on resolutions to condemn previous atrocities and human rights abuses.** The government has committed to finish aligning all laws to the Constitution by year’s end.

Zimbabwe has also been making changes **to improve freedom of the press in the country.** There is a vibrant newspaper industry, and 5 out of the 6 major papers are either opposition-controlled or friendly to the opposition. These newspapers have websites and YouTube channels to disseminate their messages and reach the 80 percent of Zimbabwe’s population that owns a smartphone.

Additionally, in 2019 the government announced a **Broadcast Licensing Board** to grant radio and television licenses in Zimbabwe. The board is comprised of 12 members: 4 of whom are ZANU PF members and the other 8 who are independent. Currently, there is one official Zimbabwean government-controlled station – the Zimbabwe Broadcasting Corporation – but six additional broadcast licenses are to be granted this year. **The public also continues to have full access to channels from other African countries, which carry news critical of the Mnangagwa administration and its policies.**

Right to Protest

Western observers of Zimbabwe have been rightly focused on allowing the Zimbabwean political opposition to protest freely. While the government’s response to January 2019 protests by the political opposition – temporarily shutting down the internet and engaging in conflict that result in 13 deaths – is condemnable, since then it has worked to minimize violence at such events. **In fact, it requested and underwent training from the UN for its police force to learn how to peacefully monitor and handle demonstration events.**

Additionally, there have been various demonstrations organized by doctors, teachers, and others that have been allowed and occur peacefully. The main issues in demonstrating center around the opposition party, the Movement for Democratic Change, or MDC.

Over the past year, we have seen positive, incremental reform towards protests. In August 2019, opposition protests resulted in 5 injuries and no military interference or internet blackout, and in November 2019 protests resulted in just one injury. In January 2020, the government permitted an opposition “Yellow Vest protest against tyranny and ‘illegal presidency,’” which police monitored from a distance with zero interference or action. No injuries were reported.

Chinese and Russian Influence In Zimbabwe

Both China and Russia have historically experienced close relationships with Zimbabwe. However, there has been a recent escalation of tensions in the Sino-Zimbabwean relationship, as several Chinese companies have been kicked out of the country for environmental issues. Chinese companies have built the Victoria Falls airport and the new Zimbabwean parliament building, but Zimbabwe seeks to move closer towards the United States and its western allies. The Sino-Zimbabwean relationship remains strong because China offers Zimbabwe great access to capital that Zimbabwe cannot obtain from Western nations due to its position as a “blacklist” country and the sanctions imposed on many of Zimbabwean individuals.

Zimbabwe is attempting to strengthen its ties with the United States through the development and mining of rare earth elements. Currently, China is the world’s leading producer of rare earth elements, responsible for almost 80 percent of the United States’ rare earth imports. However, Zimbabwe is a potential source of rare earth elements like samarium, neodymium, and lanthanum that can serve as a substitute to China’s monopoly. While Zimbabwe needs international investment to develop the necessary infrastructure to map and mine its resources, it is home to deposits of rare earth elements that are used to produce essential defense-industry materials like defense-grade magnets, laser range finders, night vision goggles, and precision-guided weapons.

Economic Reforms

While Zimbabwe has been devastated by a drought and hit by a cyclone, they are still attempting to right the economy with a series of reforms. They have been supported by both the IMF and World Bank in their work. Indeed, World Bank Senior Economist Stella Ilieva stated that while President Mnangagwa’s economic reforms have caused short-term increases in poverty levels, they will ultimately be successful if implemented according to plan.

Last October, The World Bank named Zimbabwe a “Top 20 Improver” in its annual *Doing Business* report. Economies are chosen based on the number of reforms and the improvement of their “ease of doing business” score. According to the report:

Zimbabwe made regulatory improvements in five areas measured by Doing Business. Zimbabwe made starting a business easier by improving online name search and reducing the Harare Municipality business licensing fee. More frequent sessions by the municipal building commission in Harare led to faster approval of construction permits. Likewise, the deeds registry implemented an internal tracking system allowing applicants to track their applications throughout the property transfer process. Finally, Zimbabwe introducing a new reorganization procedure, allowing creditors to vote on the reorganization plan, granting debtors the possibility of obtaining post-commencement finance and improving access to credit by giving secured creditors absolute priority during insolvency proceedings.

The Mnangagwa government has also made progress in implementing its Transitional Stabilization Programme (TSP), which will stabilize the economy to facilitate private sector-led growth. **In June 2019, the Government reached four out of six benchmarks required by International Monetary Fund (IMF) as part of TSP reforms.** Thus far, significant improvements have been made with regard to fiscal

consolidation, investment promotion, monetary policy restoration, and liberalization of the foreign market exchange. The government is also merging the Zimbabwe Investment Authority with the Special Economic Zones and Joint Venture Unit to create the Zimbabwe Investment Development Agency, a one stop shop investment center that is a priority for making investment reforms.

Furthermore, this year Zimbabwe **enjoyed its first budget surplus in years**, and the Mnangagwa government has committed to additional reforms to prevent increasing debt. Such reforms include pausing the assumption of new debt from foreign lenders during Zimbabwe's participation in IMF programs, decreasing the government's salary bill from 79 to 67 percent of the annual budget, and slashing the budget deficit to four percent of GDP.

While the IMF projected that the Zimbabwean economy would contract by 2.1 percent this year, **next year it estimates the economy will grow by 3.3 percent. Additionally, the IMF estimates that inflation will fall from 81% to 14% next year.** IMF Representative Patrick Imam said that lowering inflation was feasible with the improvement of fiscal policy, stating, "this requires discipline and, above all, stopping the printing of money to finance quasi-fiscal expenditures." To facilitate these improvements, Zimbabwe has abandoned the multi-currency system currently in place and revised it to make the Zimbabwean dollar the only currency for legal tender. If successful, these reforms aim to help Zimbabwe **reach upper middle-income status by 2030**, the same category as Russia, China, Thailand, and Turkey.

The Effect of Sanctions

While the Mnangagwa administration has been working to successfully implement economic reforms, sanctions on targeted entities and individuals have had a cumulatively negative impact on the economy, resulting in:

- Suspension of balance of payment support.
- Suspension or complete cessation of bilateral development cooperation.
- Sanctioning of banking institutions.
- Interception and seizure of export revenues.
- Sanctioning of key agricultural institutions.
- Reduced access to international markets.
- **A US \$21 billion reduction of GDP over the 20 years of isolation.**
- Highly damaging negative publicity about Zimbabwe leading to wrong perceptions and characterization of Zimbabwe as a "high risk" investment

Although corruption is an acknowledged issue in Zimbabwe, the sanctions create a negative global perception with damaging real-world consequences for international businesspeople and regular Zimbabwean citizens. Zimbabweans cannot open foreign bank accounts due to corresponding bank issues. Banks must investigate each account holder to ensure that they are not associated with any sanctioned entities or individuals, and rather than continuing to undertake costly investigations, **banks issue blanket rejections to protect their interests.** The result is that unsanctioned persons and companies have zero access to regular banking and foreign capital (forex).

The Business Council for International Understanding (BCIU) has been told directly by members and companies that the sanction language, as well as the difficulty in getting timely responses from the US Treasury Department on if US businesses can partner with Zimbabwean based companies/persons, has prevented US companies from tangible pursuit of commerce.

To give a **real-life example of how the sanctions are increasing costs and creating more corruption**: in order to do business, companies must hire a firm, usually in South Africa that has the ability to open an account. Because they are doing business in Zimbabwe, they usually have to pay off a South African government official. The firm then opens another account in Mauritius to allow further access to more foreign capital and international investors. This often requires another payoff to an official. Then, to begin operating and exchanging money, goods, and services, a Zimbabwean official is often paid off to allow the exchange.